

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 09-3242/3		Introduction Number SB-434	
Description The sale of unpasteurized milk, buttermilk, butter, and cream			
Fiscal Effect			
State:			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> No State Fiscal Effect</div><div style="width: 50%;"><input type="checkbox"/> Indeterminate</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Increase Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Yes</div><div style="margin-left: 20px;"><input checked="" type="checkbox"/> No</div></div></div> <div style="margin-top: 5px;"><input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs</div>			
Local:			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> No Local Government Costs</div><div style="width: 50%;"><input type="checkbox"/> Indeterminate</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;">1. <input type="checkbox"/> Increase Costs</div><div style="width: 33%;">3. <input type="checkbox"/> Increase Revenue</div><div style="width: 33%;">5. Types of Local Government Units Affected</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Permissive</div><input type="checkbox"/> Mandatory</div><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Permissive</div><input type="checkbox"/> Mandatory</div><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Towns</div><input type="checkbox"/> Village</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;">2. <input type="checkbox"/> Decrease Costs</div><div style="width: 33%;">4. <input type="checkbox"/> Decrease Revenue</div><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Counties</div><input type="checkbox"/> Others</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Permissive</div><input type="checkbox"/> Mandatory</div><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> Permissive</div><input type="checkbox"/> Mandatory</div><div style="width: 33%;"><div style="display: flex; align-items: center;"><input type="checkbox"/> School Districts</div><input type="checkbox"/> WTCS Districts</div></div>			

Fiscal Estimate Narratives

DATCP 1/13/2010

LRB Number	09-3242/3	Introduction Number	SB-434	Estimate Type	Original
Description					
The sale of unpasteurized milk, buttermilk, butter, and cream					

Assumptions Used in Arriving at Fiscal Estimate

This bill authorizes a dairy farmer with a grade A dairy farm permit to sell unpasteurized milk, buttermilk, butter, and cream directly to consumers on the farm if the dairy farmer obtains a raw milk permit from the Department of Agriculture, Trade and Consumer Protection, the container is prepared and filled in a sanitary manner, and the dairy farmer displays a sign indicating that raw milk does not provide the protection of pasteurization. The bill also provides that a dairy farmer is not liable for selling a product as authorized by the bill, except in cases of willful or wanton acts or omissions.

It is impossible to project how many grade A producers would request a permit under the bill. For this estimate under the bill as written, it is assumed that between 1 and 11,000 grade A milk producers will request a permit. Under the bill, each request must be processed and a permit issued to the requester. The department may not specify additional requirements for a permit under the bill.

Issuing and tracking permits under the bill would require an addition to the department's licensing system. Initial IT cost for development and processing of these permits is estimated at \$37,640 for department IT staff. Further costs incurred by the Division of Food Safety for process development, creating business rules and testing the process are estimated at \$15,000.

Administrative costs for receiving requests for permits, processing these requests and printing and mailing the permits is estimated to range from \$7 for one permit to \$77,000 for 11,000 permits, per year. The worksheet attached to this estimate assumes a modest response of 500 farms, or \$3,500 per year.

Because the bill as written is limited in scope, these estimates do not include other potential costs to the department or other agencies related to increased sales of raw milk. These include, but are not limited to, additional inspection time at farms with raw milk permits, investigations related to raw milk and raw milk product sales, epidemiological investigations of outbreaks of food borne illness traced to raw milk and raw milk products, additional sampling of raw milk products and management of the permit database.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 09-3242/3	Introduction Number SB-434	
Description The sale of unpasteurized milk, buttermilk, butter, and cream		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Issuing and tracking permits under the bill would require an addition to the department's licensing system. Initial IT cost for development and processing of these permits is estimated at \$37,640 for department IT staff. Further costs incurred by the Division of Food Safety for process development, creating business rules and testing the process are estimated at \$15,000. Total One-Time Costs = \$52,640		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$3,500	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$3,500	\$
B. State Costs by Source of Funds		
GPR	3,500	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$3,500	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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		1/13/2010